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09/475,950

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FRANK S. SAAVEDRA-LIM

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PITNEY BOWES INC.
INTELLECTUAL PROPERTY & TECH. LAW DEPT.
35 WATERVIEW DRIVE
MSC 26-22
SHELTON, CT 06484

EXAMINER

SHAAWAT, MUSSA A

ART UNIT

PAPER NUMBER

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NOTIFICATION DATE

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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

Ex parte FRANK S. SAAVEDRA-LIM

Appeal 2010-000659
Application 09/475,950
Technology Center 3600

Before, MURRIEL E. CRAWFORD, HUBERT C. LORIN and JOSEPH A.
FISCHETTI, *Administrative Patent Judges*.

FISCHETTI, *Administrative Patent Judge*.

DECISION ON APPEAL

The two-month time period for filing an appeal or commencing a civil action, as recited in 37 C.F.R. § 1.304, or for filing a request for rehearing, as recited in 37 C.F.R. § 41.52, begins to run from the “MAIL DATE” (paper delivery mode) or the “NOTIFICATION DATE” (electronic delivery mode) shown on the PTOL-90A cover letter attached to this decision.

STATEMENT OF THE CASE

Appellant seeks our review under 35 U.S.C. § 134 of the Examiner's final rejection of claims 1-6, 9, 10, 12-15. We have jurisdiction under 35 U.S.C. § 6(b) (2002).

SUMMARY OF DECISION

We REVERSE.

Claim 1, reproduced below, is representative of the subject matter on appeal.

1. A method of managing and assessing a set of risks relative to a financial product, said method being accessed through a data processing system, wherein said data processing system comprises a series of nodes operatively connected with each other, said method comprising the steps of:
 - (a) performing an application processing procedure on one or more customers, comprising a check of the creditworthiness of one or more selected customers; and issuing a financial product to one or more of said customers if said selected customer is determined to be creditworthy, thus resulting in an accepted customer, and declining said application if said customer is determined to be not creditworthy;
 - (b) assessing a credit authorization request from a system user, wherein said request is initiated by a use of said financial product;
 - (c) utilizing a predictive modeling routine to perform said assessment;
 - (d) accepting or declining said credit authorization request as based upon an outcome of said assessment;
 - (e) downloading an assessment result to said data processing system for transfer to a database accessible by one or more

remote nodes of said system;
(f) applying a fraud indicator to each assessment and wherein said fraud indicator is selected from a list of fraud indicator and wherein each of said fraud indicator on the list is representative of a defined area of risk; and
(g) determining fraud loss ratios to benchmark risk management effectiveness.

THE REJECTION

The Examiner relies upon the following as evidence of unpatentability:

Basch	US 6,119,103	Sep. 12, 2000
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The following rejection is before us for review.

The Examiner rejected claims 1-6, 9-10 and 12-15 under 35 USC § 103(a) over Basch.

FINDINGS OF FACT

We find the following facts by a preponderance of the evidence:

1. The Specification describes that a system user determines fraud loss ratios as a means for benchmarking risk management effectiveness. (Specification 8:9-11).
2. The Specification on page, 27 lines 12-25, describes the ratios and methodologies for each of the targeted ratios as follows:

$Flo = \frac{\text{Fraud Losses}}{\text{Outstanding}}$	<i>Flo</i> measures fraud losses as a function of total outstandings. The total outstandings is interpreted as a general measure of the portfolio maturity. This is used for benchmarking total fraud.
$Flv = \frac{\text{Fraud Losses}}{\text{Volume}}$	<i>Flv</i> measures fraud losses as a function of volume of total sales. The total sales number is interpreted as an index of transaction activity. This is used for benchmarking transaction fraud.
$Fic = \frac{\text{Fraud Losses}}{\text{Total Charge-Offs}}$	<i>Fic</i> is an indicator of the contribution fraud losses make to total charge-offs.
$Le = \frac{[(\text{Fraudulent Credits} - \text{Fraudulent Losses})]}{\text{Fraudulent Credits}}$	
$FLp = \text{Fraudulent Credits} - \text{Fraudulent Losses}$	

3. The Examiner found that “Basch does not explicitly disclose benchmarking risk management effectiveness by determining fraud loss ratios. However, benchmarking risk management effectiveness by determining fraud loss ratios, is certainly well known to those of ordinary skill in the art, and official notice to that effect is hereby taken.” (Answer 4)

ANALYSIS

We reverse the rejection of claims 1-6, 9-10 and 12-15.

The Examiner maintains that because the official notice was taken in an Office Action dated 12/27/27, and the Appellant did not properly challenge the notice seasonably thereafter, that the subject matter of the official notice is now admitted prior art. (Answer 4).

However, our review of the record reveals that the rejection dated

12/27/07 was based on a 35 U.S.C. § 103(a) rejection using a different reference, namely, Keen, and not Basch. We find that to carry forward the consequences of failing to traverse subject matter in one rejection which has been withdrawn by the Examiner, into another rejection which uses an entirely different reference would constitute error because each rejection stands on its own.

This said, we find that the Specification defines ratios for each of the targeted ratios (FF 2). The Specification and the claims tie these ratios to the sole means for benchmarking (FF 1, 2), and thus the ratios constitute core elements of the claim. We thus find that the Examiner improperly relied on Official Notice (FF 3) for core factual findings. With respect to core factual findings in a determination of patentability, however, the Examiner cannot simply reach conclusions based on his/her own understanding or experience -- or on an assessment of what would be basic knowledge. Rather, the Examiner must point to some concrete evidence in the record in support of these findings. *In re Zurko*, 258 F.3d 1379, 1385 (Fed. Cir. 2001). Thus, we cannot sustain the rejection of claim 1. Since claims 2-6, 9-10, and 12-15 depend from claim 1, and since we cannot sustain the rejection of claim 1, the rejection of claims 2-6, 9-10 and 12-15 likewise cannot be sustained.

CONCLUSIONS OF LAW

We conclude the Examiner erred in rejecting claims 1-6, 9-10, and 12-15 under 35 USC § 103(a) over Basch.

Appeal 2010-000659
Application 09/475,950

DECISION

The decision of the Examiner to reject claims 1-6, 9-10, and 12-15 is reversed.

REVERSED

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